

UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

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:  
SHEA DEVELOPMENT CORP., BRAVERA, INC., :  
and IP HOLDING OF NEVADA CORP., :

Plaintiffs,

v.

CHRISTOPHER WATSON and ELIZABETH  
ANNE CONLEY,

Defendants.  
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Civil Action No. 07-CV-11201 (DLC)

**DECLARATION OF DEFENDANT CHRISTOPHER WATSON**

CHRISTOPHER WATSON, the undersigned, hereby declares and says:

1. I am Christopher Watson and have been named as a Defendant in this action. I respectfully submit this declaration in support of the motion to enforce the terms of the July 10, 2008 settlement and to award me the costs and attorneys fees incurred since July 11, 2008 as a result of plaintiff's unconscionable efforts to thwart the settlement.

2. I am the owner of two business with relevance to this case SD2R Partners LLC, and Intellectus LLC. SD2R Partners LLC is a Virginia limited liability company, with offices in South Carolina and Reston, Virginia, that holds my real estate investments in Virginia, including office space which is leased by Plaintiff Bravera, Inc. ("Bravera") in Reston, Virginia. Intellectus, LLC, ("Intellectus") a Florida limited liability company operating in the Information Technology sector, has an office in South Carolina. Intellectus licensed certain intellectual property to Plaintiffs and commenced an action in the Supreme Court of the County of New York alleging, among other things, that Plaintiffs had violated the terms of the intellectual

property licensing agreement.

3. On July 10, 2000, I personally appeared before the Hon. Gabriel W. Gorenstein at a settlement conference. The terms of the settlement were memorialized on the transcript that day and are more fully explained in the accompanying memorandum of law. The Settlement Agreement was a compromise of my claims against Plaintiffs which I valued in excess of \$ 5 million. In part to avoid further legal expense and because the office space and business equipment identified in the settlement agreement had some use to me in a new business venture, I agreed to settle the case on that day. However, I made the Court and Plaintiffs aware of my present need to have access to and possession of the business equipment and the office space.

4. After the settlement, I directed my attorneys to work expeditiously to finalize the settlement. Upon information and belief, my attorneys immediately forwarded Powers of Attorney forms authorizing accountants retained by me to represent Bravera Inc. before the United States Internal Revenue Service ("IRS") and the Virginia taxing authorities as contemplated by the settlement agreement. To date, Plaintiffs have not given my attorneys such authorizations.

5. I have also asked my attorneys to work to finalize other terms of the settlement. For example, pursuant to the agreement, Plaintiffs were required to place \$275,000.00 in escrow by July 24, 2008, from which proceeds I would resolve the IRS and Virginia tax issues. However, I have been advised by my attorneys that as August 6, 2008, the money had not been placed in escrow and that, since that time, they have no reason to believe that the money has been placed in escrow.

6. In addition, I have asked my attorneys to get me access to the business equipment and Reston space as soon as possible. The business equipment to be transferred was identified

as equipment on an inventory submitted to plaintiffs' counsel before July 10, 2008. Specifically, the inventory, a copy of which is annexed hereto as Exhibit A, indicates not only the machines but the data and use of the machines. That data, as well as the software, which is discernable by the description of the machines, is precisely the intellectual property belonging to Intellectus that plaintiffs were obligated to protect under the Licensing Agreement entered into on July 16, 2007 and the precise intellectual property which was the subject of the New York State court lawsuit. During the settlement negotiations it was expressly stated that Plaintiffs would return all of Intellectus' intellectual property, including the source codes and its derivatives.

7. On July 29, 2008, I telephonically attended a conference with my attorneys, counsel for Plaintiffs' and Frank Wilde, Plaintiff Shea Development Corp's chief executive officer. At that time, we discussed my immediate need for certain equipment. Plaintiffs claimed that the equipment located in Florida was not then being used for commercial purposes and agreed to provide that equipment prior to the delivery of equipment presently being used for Plaintiffs' business purposes. I agreed to take delivery of the unused equipment in Florida immediately while the attorneys continued to discuss finalizing the settlement.

8. During the conversations on July 29, 2008, I reminded those present that the property in Florida contained Intellectus' intellectual property and that the intellectual property, including Intellectus' source code and its derivatives must be delivered to Intellectus. Frank Wilde responded that Plaintiffs were not using Intellectus' software and would deliver the property equipment with the Intellectus intellectual property intact.

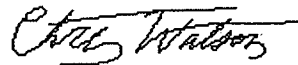
9. On August 13, 2008, while vacationing with my family in Florida, I went to the Plaintiffs' office in Orlando to pick up certain equipment, as previously arranged by my

attorneys. After taking delivery of the equipment, I noticed that certain key servers were not present and that hard drives had been removed from some of the servers that were delivered.

10. Plaintiffs' delay tactics have caused me substantial prejudice. For example, if Plaintiffs had placed the \$275,000 in escrow and had given my accountants authority to act on Plaintiffs' behalf before the relevant taxing authorities, I have reason to believe that the taxing issues would be resolved and that the escrowed funds would be released to me. Similarly, the settlement agreement provided for a payment of \$175,000 to me within fifteen days of a final settlement agreement. It has now been 35 days since the settlement was agreed to and Plaintiffs still have not, to the best of my knowledge, placed any money in escrow as they were required to do, paid the \$175,000 settlement amount, provided adequate cooperation with my accountants to resolve the tax liability issue, performed any work to assign the GSA MOBUS contract, nor have they provided the majority of the business equipment, or made the office space available to me.

11. Based upon the foregoing and the facts set forth by my attorney, I respectfully request that the Court issue an Order directing Plaintiffs to comply with July 10, 2008 settlement agreement by dates certain and awarding me my attorneys fees incurred since July 11, 2008.

I declare that the foregoing is correct under the penalties of perjury. Executed this  
\_14th\_ day of August 2008.



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Christopher Watson

# **Exhibit A**

## BRAVERA INVENTORY

Make and Model	Serial number	System Info	Barcode
Laptop			
Dell Latitude D510	3DMTP81	XP PRO SP2 - 1GB RAM - 2.0GHz Intel	BC10054BC
Dell Latitude D610	129BL81	XP PRO SP2 - 1GB RAM - 2.0GHz Intel	BC10013BC
Dell Latitude D510	JDMTP81	XP PRO SP2 - 1GB RAM - 2.0GHz Intel	BC10082BC
Dell Latitude D610	ATA50200BB4	XP PRO SP2 - 1GB RAM - 2.0GHz Intel	BC10069BC
Dell Latitude D610	729BL81	XP P1GRO SP2 - 1GB RAM - 2.0GHz Intel	BC10029BC
Dell Latitude D610	6MUGH81	XP PRO SP2 - 1GB RAM - 800MHz	BC10068BC
Dell Latitude D510	G70YY81	XP PRO SP2 - 1GB RAM - 2.0GHz Intel	BC10083BC
Dell Latitude D610	760YY81	XP PRO SP2 - 1GB RAM - 2.0GHz Intel	BC10102BC
	4M5SN71	XP PRO SP2 - 1GB RAM - 2.0GHz Intel	BC10091BC
Dell Latitude 810	90RV771		BC10002BC
Dell Latitude 610	G1MB571	XP PRO SP2 -	BC10101BC
IBM ThinkPad G40	KM 0469B 0406	Windows 2003 - 750RAM - 2.7 GHz	BC10027BC
IBM ThinkPad T43	L3-A7692	XP PRO SP2 - 1GB RAM - 1.8GHz Intel	BC10016BC
Compaq Evo N620c	CNU32002DP	XP PRO SP2 - 512RAM - 1.6GHz	BC10030BC
Workstation			
Dell Optiplex 520	8XXZJ81	XP Pro sp2 - 512 RAM - 2.8GHz Intel	BC10014BC
Dell Optiplex 620	DV6N81	Windows 2003 sp2 - 2GB Ram - 3.3GHz Intel	BC10042BC
Dell Optiplex 620	2W6NL81	Windows 2003 sp2 - 2GB Ram - 3.3GHz Intel	BC10028BC
Dell Optiplex GX520	FZNN81	XP PRO SP2 - 1GB RAM - XX GHz	BC10015BC
Dell Optiplex GX520	HZNN81	XP PRO SP2 - 1GB RAM - XX GHz	BC10043BC
Dell Optiplex GX520	JZNN81	XP PRO SP2 - 1GB RAM - XX GHz	BC10001BC
Compaq Presario SR1522x	MXF539035P	XP PRO SP2 - 1 GB RAM 2.9GHz Intel	BC10005BC
Compaq Presario SR1522x	MXF53700FR	XP PRO SP2 - 1 GB RAM 2.9GHz Intel	BC10045BC
Compaq Presario SR1522x	MXF53903SR	XP PRO SP2 - 1 GB RAM 2.9GHz Intel	BC10032BC
Compaq Presario SR1522x	MXF53700DV	XP PRO SP2 - 1 GB RAM 2.9GHz Intel	BC10046BC
Dell Optiplex GX520	IXXZJ81	XP PRO SP2 - 1 GB RAM 2.8GHz Intel	BC10031BC
Dell Optiplex GX520	HWXZJ81	XP PRO SP2 - 1 GB RAM 2.8GHz Intel	BC10017BC
Dell Optiplex GX520	CWXZJ81	XP PRO SP2 - 1 GB RAM 2.8GHz Intel	BC10003BC
Dell Optiplex GX520	BWXZJ81	XP PRO SP2 - 1 GB RAM 2.8GHz Intel	BC10044BC
Dell Optiplex GX520	6XXZJ81	XP PRO SP2 - 1 GB RAM 2.8GHz Intel	BC10006BC
Dell Optiplex GX520	4XXZJ81	XP PRO SP2 - 1 GB RAM 2.8GHz Intel	BC10004BC
Dell Optiplex GX520	DWXZJ81	XP PRO SP2 - 1 GB RAM 2.8GHz Intel	BC10018BC

## BRAVERA INVENTORY

Servers - Reston				
Dell PowerEdge SC1425 Bravera2	DJBY71	10.10.10.10		BC10023BC
Dell PowerEdge SC1425 Bravera3	1KBY71	10.10.10.156		BC10037BC
Dell PowerEdge SC1425 SECURE1	CCR81	10.10.10.137		BC10051BC
Dell PowerEdge 850 Bravera4	9P0VZ81			BC10024BC
Switches/Routers/Hubs				
Belkin 24 port switch	47A35000286			BC10084BC
Netgear 24 port switch - JGS54	1392583L0049B			BC10098BC
Cisco IAD 2400	FKH0941F23U			BC10057BC
Sonic Wall Pro200	00401015DB8E			BC10071BC
Hawking 8 port switch	HCMCG58033100149			BC10085BC
DLINK 4 port switch	BNZB539093974			BC10099BC
Link SYS wireless router 4 port- WRT54GSv2	CGN30E341489			BC10058BC
NetGear 24 port switch	S/N - not accessible			BC10072BC
NetGear dual speed hub - 8 port - DS108	DS18141DB695979			BC10086BC
Smart Ups 1000	AS0142211933			BC10100BC
Smart Ups 1000	AS0142112280			BC10059BC
NEC - Aspire	TA5100076B			BC10073BC
Verio Inventory - Herndon - Rack B23				
Dell Power Connect 2708 - 8 port				BC10090BC
SonicWall Pro 2040	0006B11A154			BC10060BC
SonicWall Pro 2040	0006B11A17C			BC10061BC
Dell Power Connect 2624 - 24 port	4HF2R42			BC10062BC
Cisco 2600 Series	FTX0924546			BC10063BC
Dell PowerEdge 750 - Bravera1	B0TQS71	128.121.23.10		BC10064BC
Dell PowerEdge 750 - Mail	H0TQS71	128.121.23.11		BC10065BC
Dell PowerEdge 750 - wpdev.bravera.com	6H0HT61	128.121.23.12		BC10066BC
Dell PowerEdge 750 - cri.bravera.com	7H0HT61	128.121.23.13		BC10067BC
Dell PowerEdge 750 - wfsrv6	4DLSX51	128.121.23.14		BC10074BC
Dell PowerEdge 750 - wfsrv5	3DLSX51	128.121.23.15		BC10075BC
TrippLite KVM switch - 8020-01b	9351/AZBO2001600257			BC10089BC
Dell PowerEdge - Demo Sales	DGJ7211	128.121.23.20		BC10076BC
Dell PowerEdge - wfsrv2	G05PV01	128.121.23.		BC10077BC
Dell PowerEdge - ViewStar	H05PV01	128.121.23.18		BC10078BC
Dell PowerEdge - dcgc1.corp.bravera.com	3TXLX11	128.121.23.19		BC10079BC
Dell PowerEdge - wfsdemo	F5RGX11	128.121.23.		BC10080BC



## BRAVERA INVENTORY

Dell PowerEdge - TestWeb	DYM1211	128.121.23.21	BC10081BC
Dell PowerEdge - Dev2	5LKT21	128.121.23.22	BC10088BC
<b>Scanners - Reston</b>			
Cannon 9080C	CZ304492	Scanning Station	BC10019BC
Cannon 9080C	CZ304471	Scanning Station	BC10033BC
Cannon 9080C	CZ304470	Scanning Station	BC10020BC
Cannon 9080C	CZ304552	Scanning Station	BC10034BC
Cannon 9080C	CZ304551	Scanning Station	BC10047BC
Kodax I40	4322-0998	QC Station	BC10048BC
Kodax I40	4322-1078	QC Station	BC10007BC
Kodax I40	4322-1838	QC Station	BC10021BC
Kodax I40	4322-2171	QC Station	BC10035BC
<b>Printers - Reston</b>			
Cannon PC1060 (#240)		Copier for FEMA project	BC10008BC
Samsung ML2200 (#240)	BADY508763J	Printer for Femaproject Managers	BC10009BC
Samsung SCX - 4100	BAKY711711V	Local printer for #250 Conf. room.	BC10087BC
HP 1320tn (#250)	CNHC598022	Network printer #250	BC10052BC
Brother FAX/Scan/Print (#250)	U61092H5F954977	Bravera FAX	BC10011BC
Xerox Phaser 1235	3892X003	Out of order.	BC10039BC
HP Office Jet	SG045C30SP	Out of order.	BC10053BC
<b>Server Racks/Cabinet</b>			
Rack 1		Servers/Switches	BC10026BC
Rack 2		Switches	BC10040BC
Network Cabinet - Intended for #240		Will hold port/router/switch in #240	BC10012BC
<b>Julia's Returned workstations/servers</b>			
HP SuperStore Opticle 220	US9NJ00278		BC10041BC
Workstation - No brand name.	No available SN #		BC10055BC
Workstation - No brand name.	14486787		BC10056BC
Panisonic - 50 inch Plasma	YH5110324		



**AFFIDAVIT OF SERVICE BY MAIL**

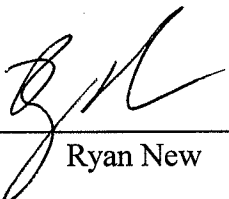
STATE OF NEW YORK     )  
                                      ) ss.:  
COUNTY OF NEW YORK    )

**RYAN NEW**, being duly sworn, deposes and says, that deponent is not a party to the action, is over 18 years of age and resides at NEW YORK, NEW YORK.


That on the 18<sup>th</sup> day of August, 2008, deponent served the within **DECLARATION OF DEFENDANT CHRISTOPHER WATSON** upon:

Williams Mullen  
Two James Center  
1021 East Cary Street  
Richmond, VA 23219

attorneys in this action, at the addresses designated by said attorneys for that purpose by depositing a true copy of same enclosed in a postpaid properly addressed wrapper, in an official depository under the exclusive care and custody of the United States post office department within the State of New York.

  
\_\_\_\_\_  
Ryan New

Sworn to before me this  
18<sup>th</sup> day of August, 2008

  
\_\_\_\_\_  
Notary

**MELISSA SHARI KATZ**  
Notary Public, State of New York  
No. 02KA6147335  
Qualified in Kings County  
Commission Expires May 30, 2010